

HOUSE BILL REPORT

HB 2422

As Reported by House Committee On:
Natural Resources, Ecology & Parks
Appropriations

Title: An act relating to providing funding for state and local parks.

Brief Description: Providing funding for state and local parks.

Sponsors: Representatives B. Sullivan, Chase and Conway.

Brief History:

Committee Activity:

Natural Resources, Ecology & Parks: 1/13/06, 1/24/06 [DPS];
Appropriations: 2/3/06, 2/4/06 [DP2S].

Brief Summary of Second Substitute Bill

- Creates the State Parks Centennial Account, managed by the State Investment Board, with interest from the account to be used for implementation of the State Parks' Centennial.
- Requires the transfer of at least \$500,000 per year from the Stadium and Exhibition Center Account to the Youth Athletic Facilities Account.

HOUSE COMMITTEE ON NATURAL RESOURCES, ECOLOGY & PARKS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives B. Sullivan, Chair; Upthegrove, Vice Chair; Buck, Ranking Minority Member; Kretz, Assistant Ranking Minority Member; Blake, Dickerson, Eickmeyer, Hunt and Kagi.

Minority Report: Do not pass. Signed by 2 members: Representatives Chandler and Orcutt.

Staff: Jeff Olsen (786-7157).

Background:

The State Parks and Recreation Commission (Commission) manages a diverse system of 120 parks with many different types of facilities and historic buildings and a variety of recreation programs. The Commission has adopted a centennial plan to guide the parks system toward

its 100th anniversary in 2013, and has identified capital facilities needs estimated at \$300 million and a backlog of major maintenance estimated at \$40 million over the next 10 years.

The real estate excise tax applies to sales of real property and is collected when the sale document is recorded with the county. The state tax rate is 1.28 percent of the selling price. After a deduction for administrative costs at the county level, 7.7 percent of the proceeds are deposited to the Public Works Assistance Account and the balance is deposited to the State General Fund.

The Office for the Interagency Committee for Outdoor Recreation manages the Youth Athletic Facilities (YAF) Grant Program for acquiring, developing, equipping, maintaining, and improving youth and community athletic facilities. Eligible entities that may apply for grants or loans include cities, counties, and qualified nonprofit organizations. The program was approved by Washington voters as part of Referendum 48, which provides funding for the Seattle Seahawks stadium. An initial \$10 million was contributed by the Seattle Seahawks in December 1998. Revenues to the YAF account from the Stadium and Exhibition Center Account are not expected in the next several years.

The Washington State Investment Board manages the investment of the funds of the state retirement systems, as well as other non-retirement funds.

Summary of Substitute Bill:

From July 1, 2006, through June 30, 2010, 1.5 percent of the real estate excise tax revenues is deposited in the YAF Account and an additional 1.5 percent is deposited in the newly created State Parks Centennial Account (Centennial Account). The State Investment Board may invest moneys in the Centennial Account, and only the interest may be appropriated to implement the Centennial Plan and for state parks capital projects. The Centennial Account retains its own interest earnings, and the principal of the account may not be spent.

On or before June 30 of each year, at least \$500,000 must be transferred to the YAF account. Metropolitan Park Districts are added as an entity eligible to receive grants from the YAF account.

Substitute Bill Compared to Original Bill:

The substitute bill removes the requirement for the Department of Licensing to collect a \$5 fee to be used for state parks. The substitute bill removes the restriction that State Parks may not charge a parking fee. The substitute requires a transfer of at least \$500,000 per year from the Stadium and Exhibition Center Account to the YAF account.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2006.

Testimony For: (In support) The day use fee has resulted in reduced attendance, high collection costs, and negative impacts to tourism. Citizens, particularly the poor and elderly, have been negatively impacted by the fees. Local parks are also being impacted with increased attendance. People already own their state parks and have a right to enjoy them without having to pay a parking fee.

(Neutral) Implementing the vehicle license fee will require programming changes and changes to the renewal form, resulting in new costs. Washington's experience with voluntary fees, organ donation awareness for example, has resulted in low participation rates.

(With concerns) No one likes the parking fee; however, if the fee is removed it needs to be replaced with a stable, long-term funding source. There needs to be some flexibility to allow the Commission to collect other types of parking fees. Parking fees have brought some improvements, vandalism is down, facilities have been improved, and staff have been hired to allow rangers to focus on their primary duties.

Testimony Against: None.

Persons Testifying: (In support) Representative Sullivan, prime sponsor; and Dennis Eagle, Washington Federation of State Employees.

(Neutral) Deb McCurley and Keith Long, Department of Licensing.

(With concerns) Joan Thomas, Fred Romero, and Pam Wilkins Ripp, Washington State Parks and Recreation Commission; Jim King, Citizens for Parks and Recreation; Sandra Worthington, Washington State Parks Foundation; and Scott Hazelgrove, Washington State Auto Dealer's Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 17 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Schual-Berke and P. Sullivan.

Minority Report: Do not pass. Signed by 13 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: Alicia Paatsch (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Natural Resources, Ecology & Parks:

The dedication of real estate excise tax revenue to fund state and local parks is removed.

Appropriation: None.

Fiscal Note: Requested..

Effective Date of Second Substitute Bill: The bill takes effect July 1, 2006.

Testimony For: This is a creative idea to address the problem of eroding funding for public parks. Parks has a hard time competing for general funds with kids, crooks and health care and we need to move parks funding from General Fund support.

Testimony Against: None.

Persons Testifying: (Other) Dennis Eagle, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.